

OPPOSING VIEWS ON ACCELERATED RETIREMENT

(Section 5 of proposed CIA Legislation)

The Agency's Proposal

1. Grant  $1\frac{1}{2}$  years credit for each 1 year of overseas service so as to increase retirement annuity.
2. To receive credit, employee must be at least age 50.
3. Special credit would be given only for overseas service with CIA from the date of its creation in 1947.
4. Service in territories and possessions would be counted.

\* (This has the present effect of granting  $2\frac{1}{4}\%$  per year for overseas service as against regular  $1\frac{1}{2}\%$  in computing annuity. Thus - 30 years total service with 10 years spent in overseas service would be computed as 35 years service. Stated another way, 20 years would be computed at  $1\frac{1}{2}\%$  x average highest salary and 10 years x  $2\frac{1}{4}\%$  x average highest salary.)

Bureau of the Budget Proposal

1. There must be a minimum time spent in overseas service in order to qualify. 10 years is suggested as minimum with possible compromise at 9 years.
2. There must be a minimum time spent in total government service. 20 years is suggested.
3. The "bonus" and regular time must not aggregate more than 2 percent. Thus - for each year spent in overseas service, additional credit of four, rather than six months, would be granted.
4. In order to be granted to any person retiring between ages 50 and 60, the Agency must involuntarily separate the employee. It is suggested that the Director use his special authority in Section 102(c), NSA of 1947. Retirements at age 60 or above would not require involuntary separation.
5. Do not limit application to present CIA employment acquired since 1947, i.e., do not exclude CIG, SSN, OSS, or service with other agencies of U.S. Government in an overseas area.
6. Limit to service outside continental U.S., its territories and possessions.

27 March 1956

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

(a) In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities contained in sections 2(c), 5, 6, 7, and 10 of the Armed Services Procurement Act of 1947, approved Feb. 19, 1948, as amended (62 Stat. 21, 41 U.S.C. 151).

(b) Contracts of the Agency for services and use of facilities for research or development may be for a term not to exceed five years, and may be extended for an additional period not to exceed five years, subject to the availability of appropriations therefor.

(c) For purposes of this section, the term "agency head" shall mean the Director and Deputy Director of Central Intelligence and the Deputy Directors of the Agency.

SECTION 2. Section 5 of such Act is amended to read as follows:

Section 5. (a) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees ~~assigned outside the continental United States~~ <sup>abroad</sup>, may

(1) pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section 5(<sup>c</sup>d) with regard to the granting of home leave;

(2) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(3) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

(4) notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Agency, a privately owned automobile in any case where it shall be determined that water, rail, or air transportation of the automobile is necessary or expedient for any part or of all the distance between points of origin and destination, and pay the costs of such transportation;

(5) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty; or who is assigned to a post to which he cannot take or at which he is unable to use his furniture and household and personal effects; or when such storage would avoid the cost of transporting such effects from one location to another;

(6) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until the establishment of residence quarters, whichever shall be shorter;

(7) pay the travel expenses and transportation costs incident to the removal of the members of the family of an officer or employee of the Agency and his furniture and household and personal effects, including automobiles, from a post at which, because of the prevalence of disturbed conditions, there is imminent danger to life and property, and the return of such persons, furniture, and effects to such post upon the cessation of such conditions; or to such other post as may in the meantime have become the post to which such officer or employee has been assigned;

(8) pay the travel expenses incurred by an officer or employee of the Agency who is assigned to a post outside the continental United States, in transporting dependents to and from United States ports of entry designated by the Agency, to obtain an American secondary or college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education;

(9) pay the costs of preparing and transporting the remains of an officer or employee of the Agency or a member of his family who may die while in travel status or abroad, to his home or official station, or to such other place as the Director may determine to be the appropriate place of interment, provided that in no case shall the expense payable be greater than the amount which would have been payable had the destination been the home or official station.

~~(b) The Director may, notwithstanding the provisions of any other law, prescribe regulations, whenever he considers that it is in the interest of the Government to do so, authorizing officers and employees of the Agency to receive payment on a commuted basis in lieu of any other method for any per diem allowance to which they or members of their families are entitled.~~

(b) (c) The Agency may charge expenses in connection with travel of personnel, their dependents, and transportation of their household goods, personal effects, and automobiles to the appropriation for the fiscal year current when any part of either the travel or transportation begins pursuant to previously issued travel orders, notwithstanding the fact that such travel or transportation may not all be effected during such fiscal year, or the travel orders may have been issued during the prior fiscal year.

(c) (d) (1) Under such regulations as the Director may prescribe, the Agency may order to the continental United States or its territories and possessions on leave of absence as provided by law, every officer and employee of the Agency, upon completion of two years continuous service ~~outside the continental~~ *abroad* ~~United States~~, or as soon as possible thereafter.

(2) While in the continental United States on leave, the service of any officer or employee shall not be available for work or duties except in the Agency or for training or for reorientation for work; and the time of such work or duty shall not be counted as leave.

(3) Where an officer or employee on leave returns to the United States or its territories and possessions, leave of absence granted shall be exclusive of the time actually and necessarily occupied in going to and from the United States or its territories and possessions, and such time as may be necessarily occupied in awaiting transportation.

(4) The provisions of Section 203(f) of the Act of October 30, 1951, as amended (65 Stat. 679, 5 U.S.C. 2061), and as it may hereafter be amended, shall be applicable to officers and employees of the Agency, and such officers and employees shall be subject to the limitations as to the accumulation of leave applicable to officers and employees in the Foreign Service of the United States under the Department of State as provided in Sections 203(c) and (d) of the Act of October 30, 1951 as amended (65 Stat. 679, 5 U.S.C. 2061), and as it may hereafter be amended.

(d) (e) (1) In the event of illness, injury or maternity incurred while on assignment <sup>abroad</sup> ~~outside the continental United States~~, by an officer or full-time employee of the Agency or of a member of the family accompanying such officer or employee ~~outside the continental United States~~, not the result of vicious habits, intemperance, or misconduct on the part of such persons, in a locality where there does not exist a suitable medical facility, the Agency may, under such regulations as the Director may prescribe, pay the travel expenses of such officer or employee, or member of his family, by whatever means are considered appropriate without regard to the Standardized Government Travel Regulations and Section 10 of the Act of March 3, 1933 as amended (47 Stat. 1516; 5 U.S.C. 73b), to the nearest locality where a suitable medical facility exists and on the recovery of such individual pay for the travel expenses of return to the post of duty of such officer or employee, or member of his family. If

such officer or employee, or member of his family, is too ill to travel unattended, the Agency may also pay the compensation and round trip travel expenses of an attendant or attendants.

(2) The Agency may, under such regulations as the Director may prescribe, pay for the cost of treatment of illness or injury where such illness or injury is incurred --

(A) in the line of duty by an officer or full-time employee of the Agency while such person is assigned outside the continental United States, or

(B) by a member of the family accompanying such officer or employee outside the continental United States, where such illness or injury occurs through circumstances directly related to the duties or duty station of such officer or employee: Provided, That such illness or injury is not the result of vicious habits, intemperance, or misconduct on the part of such persons.

(3) The Director may establish a first aid station and provide for the services of a physician, a nurse, or other medical personnel at a post at which, in his opinion, sufficient personnel is employed to warrant such a station.

(4) The Director may provide for the periodic physical examination of officers and employees of the Agency and for dependents and for the cost of administering inoculations or vaccinations to such officers or employees and their dependents.



(2)(A) The Director may, in the event of illness or injury requiring hospitalization of an officer or employee of the Agency, not the result of vicious habits, intemperance, or misconduct on his part, incurred in the line of duty while such person is assigned abroad, pay for the cost of the treatment of such illness or injury at a suitable hospital or clinic.

(2)(B) In the event a dependent of an officer or employee of the Agency who is stationed abroad, incurs an illness or injury while located abroad, which requires hospitalization and which is not the result of vicious habits, intemperance, or misconduct, the Agency may, in accordance with such regulations as the Director may prescribe, pay for that portion of the costs of treatment of each such illness or injury at a suitable hospital or clinic that exceeds \$35.00 up to a maximum limitation of 120 days of hospitalization for each such illness or injury, except that such maximum limitation shall not apply whenever the Director, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused by the fact that such dependent is or has been located abroad.

(e) (f) In accordance with such regulations as the Director may prescribe, the Agency may pay the costs of travel of new appointees and their dependents, and the transportation of their household goods and personal effects, from places of actual residence in foreign countries at time of appointment to places of employment and return to their actual residences at the time of appointment or a point not more distant: Provided, That such appointees agree in writing to remain with the United States Government for a period of not less than twelve months from the time of appointment. Violation of such agreement for personal convenience of an employee or because of separation for misconduct will bar such return payments and, if determined by the Director or his designee to be in the best interests of the United States, any money expended by the United States on account of such travel and transportation shall be considered as a debt due by the individual concerned to the United States.

(f) (g) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of Section 1765 of the revised statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency:

(1) allowances, whenever Government owned or rented quarters are not available at a post ~~outside the continental United States~~ <sup>abroad</sup> for living quarters, heat, light, water, fuel, gas, and electricity, including allowances for the cost of lodging at temporary quarters, incurred by an officer or employee of the Agency and the members of his family upon first arrival at a new post, for a period not in excess of three months after such first arrival or until the occupation of residence quarters, whichever period shall be shorter, up to but not in excess of the aggregate amount of the per diem that would be allowable to such officer or employee for himself and the members of his family for such period if they were in travel status:

(2) cost-of-living allowances whenever --

(A) the cost of living at a post ~~outside the continental United States~~ <sup>abroad</sup> is proportionately so high that an allowance is necessary to enable an officer or employee of the Agency at such post to carry on his work efficiently;

(B) extraordinary and necessary expenses not otherwise compensated for are incurred by an officer or employee of the Agency incident to the establishment of his residence at any post of assignment ~~outside the continental United States~~ <sup>abroad</sup>

or at a post of assignment in the continental United States between assignments to posts ~~outside the~~ *abroad*  
~~continental United States;~~

(C) an allowance is necessary to assist an officer or employee of the Agency who is compelled by reasons of dangerous, notably unhealthful, or excessively adverse living conditions at his post ~~outside the~~ *abroad*  
~~continental United States~~ or for the convenience of the Government to meet the additional expense of maintaining his wife and minor children elsewhere than at the post of his assignment;

(D) extraordinary and necessary expenses, not otherwise compensated for, must be incurred by an officer or employee of the Agency, by reason of his service ~~outside the~~ *abroad*  
~~continental United States~~, in providing for adequate elementary and secondary education of his dependents; allowances under this subparagraph for any post shall not exceed the cost of obtaining such educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available; if any such officer or employee employs a less expensive method of providing such education, any allowances paid

to him shall be reduced accordingly; no allowances shall be paid under this subparagraph for a dependent for whom a travel allowance has been paid under subsection 5(a)(8);

(3) a foreign post differential or a territorial post differential on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Additional compensation paid as a foreign post differential or territorial post differential shall not in any instance exceed 25 per centum of the rate of basic compensation.

(9) (h) Amounts received as allowances pursuant to the provisions of Section 5(g)(1) and (2) of this Act shall not be included in gross income, and shall be exempt from taxation under the Internal Revenue Code of 1954, as amended, and as it may hereafter be amended.

~~(i) (1) Under such regulations as the Director may prescribe, the Agency shall have authority out of appropriations made available to it to pay the sum of \$1,000.00 as a death gratuity immediately upon official determination of the death of any officer or employee of the Agency. The payment of the death gratuity authorized by this subsection shall be in addition to other benefits to which the dependents or the estate of the deceased may be entitled under any other provision of law.~~

(2) The death gratuity authorized by this subsection shall be paid to or for the living survivor or survivors of the deceased officer or employee designated by the officer or employee from one of the classes listed below or in the absence of any designation to the living survivor or survivors of such officer or employee first listed below.

- (A) Spouse.
- (B) Children (without regard to their age or marital status) in equal shares.
- (C) Any dependent or dependents of the deceased in equal shares.
- (D) Parents in equal shares.
- (E) Brothers and sisters (including those of the half blood and those through adoption) in equal shares.

(3) If a survivor dies before receiving the amount to which entitled under this subsection, such amount shall be paid to the then living survivor or survivors first listed under subsection (1)(2).

(4) The payments made under the provisions of this subsection shall not be assignable, shall be exempt from taxation, shall be exempt from the claims of creditors,

including any claim of the United States, and shall not be subject to attachment, levy, or seizure by or under any legal or equitable process whatever either before or after receipt by the payee.

(5) No certifying or disbursing officer shall be liable for any amounts erroneously paid or overpaid under this subsection to a woman as a "spouse" or to a person as a "child" in the absence of fraud, gross negligence, or criminality on the part of such officer.

(6) The Director may waive the recovery of any such erroneous payment or overpayments when such recovery would be against equity and good conscience.

(7) The determination of the Director as to dependency under subsection (1)(2)(C) shall be conclusive upon the General Accounting Office.

SECTION 3. Section 6(f)(1) of such Act is amended by striking out "fifteen" and inserting in lieu thereof the following: "thirty-five".

SECTION 4. Section 6 of such Act is amended by the insertion of a semicolon in lieu of the period at the end of subsection (f) and by the addition of a new subsection (g) which shall read as follows:

- (g) Make payments without regard to section 3648 of the Revised Statutes (31 U.S.C. 529), when made --
- (1) in compliance with the laws of foreign countries or their ministerial regulations, and
  - (2) for rent in foreign countries for such period as may be necessary to accord with local custom.

SECTION 5. Such act is amended by inserting a new Section 9 which shall read as follows:

Section 9. (a) For the purpose of computing eligibility for retirement and the amount of the annuity under the Civil Service Retirement Act (Act of 22 May 1920, as amended, 5 U.S.C. 691) each year of service outside the continental United States as an employee of the Agency after 18 September 1947 shall be credited as one and one half years of service and each such year shall serve to lower the retirement ages prescribed in the Civil Service Retirement Act by six months; Provided, That voluntary retirement shall not be allowed until such persons shall have reached 50 years of age. Such additional credits shall be granted proportionately for fractional years of service.



~~(b) No annuity paid under the Civil Service Retirement Act shall be reduced solely because the annuitant has retired at an age lowered in accordance with the provisions of subsection (a) of this Section. The base age provided by the Civil Service Retirement Act for computing a percentage reduction in annuities shall be reduced by the same amount as the reduction in retirement age made in accordance with subsection (a) of this Section.~~

5 SECTION 6. Section 10(a)(1) of such Act is amended by inserting "Chapter 171 of" immediately before "28 U.S.C."